

EXECUTIVE SUMMARY - ENFORCEMENT MATTER
DOCKET NO.: 2007-1448-AIR-E TCEQ ID: RN100215128 CASE NO.: 34578
RESPONDENT NAME: Sunoco Pipeline L.P.

Page 1 of 2

ORDER TYPE:		
<input checked="" type="checkbox"/> 1660 AGREED ORDER	<input type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING
<input type="checkbox"/> FINDINGS DEFAULT ORDER	<input type="checkbox"/> SHUTDOWN ORDER	<input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> EMERGENCY ORDER	
CASE TYPE:		
<input checked="" type="checkbox"/> AIR	<input type="checkbox"/> MULTI-MEDIA (check all that apply)	<input type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE
<input type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> OCCUPATIONAL CERTIFICATION
<input type="checkbox"/> WATER QUALITY	<input type="checkbox"/> SEWAGE SLUDGE	<input type="checkbox"/> UNDERGROUND INJECTION CONTROL
<input type="checkbox"/> MUNICIPAL SOLID WASTE	<input type="checkbox"/> RADIOACTIVE WASTE	<input type="checkbox"/> DRY CLEANER REGISTRATION

SITE WHERE VIOLATION(S) OCCURRED: Colorado City Station, 3250 County Road 4156, approximately eight miles southwest of Hermleigh, Scurry County

TYPE OF OPERATION: Crude oil pipeline breakout station

SMALL BUSINESS: ☐ Yes ☒ No

OTHER SIGNIFICANT MATTERS: There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.

INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.

COMMENTS RECEIVED: The *Texas Register* comment period expired on March 3, 2008. No comments were received.

CONTACTS AND MAILING LIST:
TCEQ Attorney/SEP Coordinator: None
TCEQ Enforcement Coordinator: Ms. Sidney Wheeler, Enforcement Division, Enforcement Team 4, MC 149, (512) 239-4969; Mr. Bryan Sinclair, Enforcement Division, MC 219, (512) 239-2171
Respondent: Mr. Jeffery E. Brown, District Supervisor, Sunoco Pipeline L.P., 401 Cypress Street, Suite 610, Abilene, Texas 79601
Respondent's Attorney: Not represented by counsel on this enforcement matter

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation: <input type="checkbox"/> Complaint <input type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input checked="" type="checkbox"/> Records Review</p> <p>Date(s) of Complaints Relating to this Case: None</p> <p>Date of Investigation Relating to this Case: August 1 through 13, 2007</p> <p>Date of NOV/NOE Relating to this Case: August 23, 2007 (NOE)</p> <p>Background Facts: This was a record review.</p> <p>AIR</p> <p>1) Failed to submit tank seal gap inspection reports within 60 days following the performance of seal gap measurements on crude oil storage tanks. Specifically, the annual secondary seal gap inspections that were conducted from October 4 through 5, 2006, were not submitted to the TCEQ by their December 3, 2006 deadline [30 TEX. ADMIN. CODE §§ 116.715(a) and 101.20(1); 40 CODE OF FEDERAL REGULATIONS § 60.115(b)(2); Flexible Permit No. 72661, Special Condition No. 3(a); and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p> <p>2) Failed to report in writing all instances of deviations to the Executive Director. Specifically, the late submittal of the annual secondary seal gap inspections completed in October 2006 were not included as a deviation in any subsequent deviation reports [30 TEX. ADMIN. CODE § 122.145(2) and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p>	<p>Total Assessed: \$6,250</p> <p>Total Deferred: \$1,250 <input checked="" type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$0</p> <p>Total Paid to General Revenue: \$5,000</p> <p>Site Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Person Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Major Source: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p>	<p>Corrective Actions Taken:</p> <p>The Executive Director recognizes that the Respondent submitted the annual secondary seal gap inspection reports conducted from October 4 through 5, 2006 on August 6, 2007.</p> <p>Ordering Provisions:</p> <p>The Order will require the Respondent to:</p> <p>a. Within 30 days after the effective date of this Agreed Order:</p> <p>i. Implement improvements to record keeping systems and/or procedures that address the causes leading to the late submittal of annual secondary seal gap inspection reports and deviation reports and are designed to prevent reoccurrence of same or similar incidents;</p> <p>ii. Submit complete and accurate semi-annual deviation reports for the reporting periods of June 17 through December 17, 2006 and December 18, 2006 through June 17, 2007 to include the late submittal of annual secondary seal gap inspection reports; and</p> <p>b. Within 45 days after the effective date of this Agreed Order, submit written certification and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision a.</p>

Additional ID No(s): SG0033L



Policy Revision 2 (September 2002)

Penalty Calculation Worksheet (PCW)

PCW Revision June 26, 2007

TCEQ

DATES

Assigned 28-Aug-2007

PCW 6-Sep-2007

Screening 6-Sep-2007

EPA Due

RESPONDENT/FACILITY INFORMATION

Respondent Sunoco Pipeline L.P.

Reg. Ent. Ref. No. RN100215128

Facility/Site Region 3-Abilene

Major/Minor Source Major

CASE INFORMATION

Enf./Case ID No. 34578

Docket No. 2007-1448-AIR-E

Media Program(s) Air

Multi-Media

No. of Violations 2

Order Type 1660

Enf. Coordinator Lindsey Jones

EC's Team Enforcement Team 4

Admin. Penalty \$ Limit Minimum \$0 Maximum \$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)

Subtotal 1 \$5,000

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History 25% Enhancement

Subtotals 2, 3, & 7 \$1,250

Notes The penalty was enhanced due to one prior similar NOV and one prior 1660-style agreed order.

Culpability No 0% Enhancement

Subtotal 4 \$0

Notes The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply 0% Reduction

Subtotal 5 \$0

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	X	(mark with x)

Notes The Respondent does not meet the good faith criteria.

Total EB Amounts	\$53
Approx. Cost of Compliance	\$750

0% Enhancement*

*Capped at the Total EB \$ Amount

Subtotal 6 \$0

SUM OF SUBTOTALS 1-7

Final Subtotal \$6,250

OTHER FACTORS AS JUSTICE MAY REQUIRE

Adjustment \$0

Reduces or enhances the Final Subtotal by the indicated percentage. (Enter number only; e.g. -30 for -30%.)

Notes

Final Penalty Amount \$6,250

STATUTORY LIMIT ADJUSTMENT

Final Assessed Penalty \$6,250

DEFERRAL

20%

Reduction

Adjustment -\$1,250

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

Deferral offered for expedited settlement.

PAYABLE PENALTY

\$5,000

Screening Date 6-Sep-2007

Docket No. 2007-1448-AIR-E

PCW

Respondent Sunoco Pipeline L.P.

Policy Revision 2 (September 2002)

Case ID No. 34578

PCW Revision June 26, 2007

Reg. Ent. Reference No. RN100215128

Media [Statute] Air

Enf. Coordinator Lindsey Jones

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action (number of NOVs meeting criteria)	1	5%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	1	20%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (number of judgments or consent decrees meeting criteria)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (number of counts)	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	0	0%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 25%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance
History
Notes

The penalty was enhanced due to one prior similar NOV and one prior 1660-style agreed order.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 25%

Screening Date 6-Sep-2007		Docket No. 2007-1448-AIR-E		PCW	
Respondent Sunoco Pipeline L.P.		<small>Policy Revision 2 (September 2002)</small>			
Case ID No. 34578		<small>PCW Revision June 26, 2007</small>			
Reg. Ent. Reference No. RN100215128					
Media [Statute] Air					
Enf. Coordinator Lindsey Jones					
Violation Number 1					
Rule Cite(s)		30 Tex. Admin. Code §§ 116.715(a) and 101.20(1); 40 Code of Federal Regulations § 60.115(b)(2); Flexible Permit No. 72661, Special Condition No. 3(a); and Tex. Health & Safety Code § 382.085(b)			
Violation Description		Failed to submit tank seal gap inspection reports within 60 days following the performance of seal gap measurements on crude oil storage tanks. Specifically, the annual secondary seal gap inspections were conducted from October 4 through 5, 2006, but were not submitted to the TCEQ until August 6, 2007.			
		Base Penalty		\$10,000	
>> Environmental, Property and Human Health Matrix					
OR	Harm				
	Release	Major	Moderate	Minor	
	Actual				Percent 0%
Potential					
>> Programmatic Matrix					
	Falsification	Major	Moderate	Minor	
		x			Percent 25%
Matrix Notes	100% of the rule requirement was not met.				
		Adjustment		\$7,500	
				\$2,500	
Violation Events					
Number of Violation Events		1		Number of violation days 246	
<small>mark only one with an x</small>	daily				
	monthly				
	quarterly				
	semiannual				
	annual				
	single event	x			
		Violation Base Penalty		\$2,500	
		One single event is recommended.			
Economic Benefit (EB) for this violation			Statutory Limit Test		
Estimated EB Amount		\$19		Violation Final Penalty Total \$3,125	
				This violation Final Assessed Penalty (adjusted for limits) \$3,125	

Economic Benefit Worksheet**Respondent** Sunoco Pipeline L.P.**Case ID No.** 34578**Reg. Ent. Reference No.** RN100215128**Media** Air**Violation No.** 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System	\$250	3-Dec-2006	1-Jun-2008	1.5	\$19	n/a	\$19
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost for timely preparation and submittal of the annual secondary seal gap inspection reports. Date required is the date the reports should have been submitted. Final date is the estimated date of compliance.

Avoided Costs**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs**Approx. Cost of Compliance**

\$250

TOTAL

\$19

Screening Date 6-Sep-2007

Docket No. 2007-1448-AIR-E

PCW

Respondent Sunoco Pipeline L.P.

Policy Revision 2 (September 2002)

Case ID No. 34578

PCW Revision June 26, 2007

Reg. Ent. Reference No. RN100215128

Media [Statute] Air

Enf. Coordinator Lindsey Jones

Violation Number 2

Rule Cite(s)

30 Tex. Admin. Code § 122.145(2) and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to report in writing all instances of deviations to the Executive Director. Specifically, the late submittal of the annual secondary seal gap inspections completed in October 2006 were not included as a deviation in any subsequent deviation reports.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

	Harm		
Release	Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
	x		

Percent 25%

Matrix Notes

More than 70% of the rule requirement was not met.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1

233 Number of violation days

mark only one
with an x

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$2,500

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$34

Violation Final Penalty Total \$3,125

This violation Final Assessed Penalty (adjusted for limits) \$3,125

Economic Benefit Worksheet

Respondent Sunoco Pipeline L.P.
Case ID No. 34578
Reg. Ent. Reference No. RN100215128
Media Air
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Overtime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System	\$500	16-Jan-2007	1-Jun-2008	1.4	\$34	n/a	\$34
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost for preparation and submittal of accurate deviation reports. Date required is the due date for the first deviation report that should have included the late submittal of the annual secondary seal gap inspection reports. Final date is the estimated date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$500

TOTAL

\$34

Compliance History

Customer/Respondent/Owner-Operator: CN602373904 Sunoco Pipeline L.P. Classification: AVERAGE Rating: 2.90

Regulated Entity: RN100215128 COLORADO CITY STATION Classification: AVERAGE Site Rating: 4.90

ID Number(s): AIR OPERATING PERMITS ACCOUNT NUMBER SG0033L
 AIR OPERATING PERMITS PERMIT 2691
 AIR NEW SOURCE PERMITS ACCOUNT NUMBER SG0033L
 AIR NEW SOURCE PERMITS PERMIT 72661
 AIR NEW SOURCE PERMITS AFS NUM 4841500014

Location: 3250 COUNTY ROAD 4156, HERMLEIGH, TX, 79526 Rating Date: September 01 07
 Repeat Violator: NO

TCEQ Region: REGION 03 - ABILENE

Date Compliance History Prepared: September 06, 2007

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: September 06, 2002 to September 06, 2007

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Name: Lindsey Jones Phone: 512-239-4930

Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period? Yes
2. Has there been a (known) change in ownership of the site during the compliance period? Yes
3. If Yes, who is the current owner? West Texas Gulf Pipe Line Company
4. If Yes, who was/were the prior owner(s)? Chevron Pipe Line Company
5. When did the change(s) in ownership occur? 01/01/2005

Components (Multimedia) for the Site :

- A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.

Effective Date: 06/09/2005 ADMINORDER 2004-0592-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
 5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: 49038 PERMIT
 Gen Cond No. 8 & Spec Cond No. 1 PERMIT
 General Operating Permit No. 515 OP
 GENERAL OPERATING PERMIT NO. O-01307 OP

Description: Failure to meet the Volatile Organic Compound (VOC) emission limits contained in the Maximum Allowable Emissions Rate Table (MAERT) of TCEQ Air Permit No. 49038, for crude oil storage tanks Nos. 3, 4, 10, 11, & 17.

- B. Any criminal convictions of the state of Texas and the federal government.

N/A

- C. Chronic excessive emissions events.

N/A

- D. The approval dates of investigations. (CCEDS Inv. Track. No.)

- 1 09/16/2002 (7698)
- 2 03/18/2003 (27286)
- 3 10/28/2003 (248537)
- 4 04/06/2004 (267310)
- 5 09/16/2004 (334053)
- 6 02/23/2005 (350408)
- 7 07/31/2006 (486525)
- 8 10/18/2006 (516312)
- 9 08/24/2007 (570731)

- E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)

Date 07/25/2006 (486525)

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

Description: Failure to submit tank seal gap inspection reports within 60 days following performance of seal gap measurements on crude oil storage tanks subject to New Source Performance Standard (NSPS) Subpart Kb, as required by 40 CFR 60.115b (b)(2).

F. Environmental audits.

N/A

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
SUNOCO PIPELINE L.P.
RN100215128**

§
§
§
§
§

**BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2007-1448-AIR-E

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Sunoco Pipeline L.P. ("Sunoco") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and Sunoco appear before the Commission and together stipulate that:

1. Sunoco owns and operates a crude oil pipeline breakout station at 3250 County Road 4156, approximately eight miles southwest of Hermleigh, Scurry County, Texas (the "Site").
2. The Site consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Commission and Sunoco agree that the Commission has jurisdiction to enter this Agreed Order, and that Sunoco is subject to the Commission's jurisdiction.
4. Sunoco received notice of the violations alleged in Section II ("Allegations") on or about August 28, 2007.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by Sunoco of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Six Thousand Two Hundred Fifty Dollars (\$6,250) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). Sunoco has paid Five Thousand Dollars (\$5,000) of the administrative penalty and One Thousand Two Hundred Fifty Dollars (\$1,250) is deferred contingent upon Sunoco's timely and satisfactory

compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If Sunoco fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require Sunoco to pay all or part of the deferred penalty.

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director of the TCEQ and Sunoco have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
9. The Executive Director recognizes that Sunoco submitted the annual secondary seal gap inspection reports conducted from October 4 through 5, 2006 on August 6, 2007.
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that Sunoco has not complied with one or more of the terms or conditions in this Agreed Order.
11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Site, Sunoco is alleged to have:

1. Failed to submit tank seal gap inspection reports within 60 days following the performance of seal gap measurements on crude oil storage tanks, in violation of 30 TEX. ADMIN. CODE §§ 116.715(a) and 101.20(1); 40 CODE OF FEDERAL REGULATIONS § 60.115(b)(2); Flexible Permit No. 72661, Special Condition No. 3(a); and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted from August 1 through 13, 2007. Specifically, the annual secondary seal gap inspections that were conducted from October 4 through 5, 2006, were not submitted to the TCEQ by their December 3, 2006 deadline.
2. Failed to report in writing all instances of deviations to the Executive Director, in violation of 30 TEX. ADMIN. CODE § 122.145(2) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted from August 1 through 13, 2007. Specifically, the late submittal of the annual secondary seal gap inspections completed in October 2006 were not included as a deviation in any subsequent deviation reports.

III. DENIALS

Sunoco generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that Sunoco pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and Sunoco's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations, which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Sunoco Pipeline L.P., Docket No. 2007-1448-AIR-E" to:

Financial Administration Division, Revenues Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. It is further ordered that Sunoco shall undertake the following technical requirements:
 - a. Within 30 days after the effective date of this Agreed Order:
 - i. Implement improvements to record keeping systems and/or procedures that address the causes leading to the late submittal of annual secondary seal gap inspection reports and deviation reports and are designed to prevent reoccurrence of same or similar incidents;
 - ii. Submit complete and accurate semi-annual deviation reports for the reporting periods of June 17 through December 17, 2006 and December 18, 2006 through June 17, 2007 to include the late submittal of annual secondary seal gap inspection reports; and
 - b. Within 45 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 2.a. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Air Section, Manager
Abilene Regional Office
Texas Commission on Environmental Quality
1977 Industrial Boulevard
Abilene, Texas 79602-7833

3. The provisions of this Agreed Order shall apply to and be binding upon Sunoco. Sunoco is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Site operations referenced in this Agreed Order.
4. If Sunoco fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, Sunoco's failure to comply is not a violation of this Agreed Order. Sunoco shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. Sunoco shall notify the Executive Director within seven days after Sunoco becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by Sunoco shall be made in writing to the Executive Director. Extensions are not effective until Sunoco receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. This Agreed Order, issued by the Commission, shall not be admissible against Sunoco in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
7. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.
8. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to Sunoco, or three days after the date on which the Commission mails notice of the Order

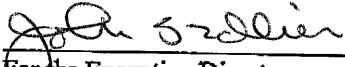
Sunoco Pipeline L.P.
DOCKET NO. 2007-1448-AIR-E
Page 5

to Sunoco, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission


For the Executive Director

3/10/2008
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.


Signature

Jeffery E. Brown

Name (Printed or typed)
Authorized Representative of
Sunoco Pipeline L.P.

3-3-08
Date

DISTRICT SUPERVISOR
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section IV, Paragraph 1 of this Agreed Order.

